

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2366 - SB 2625

February 17, 2018

SUMMARY OF BILL: Requires distributors of liquefied petroleum gas to collect from dealers an assessment fee, not to exceed \$0.002 per gallon of propane sold. Requires distributors to remit all fee revenue collected to the Tennessee Propane Education and Research Foundation (the Foundation), a Tennessee nonprofit corporation that is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Requires distributors to keep records detailing the number of gallons of propane sold to dealers, including the number of gallons, the name of the specific dealer, and the rate of assessment.

Authorizes the Foundation to bring any action to recover any unpaid assessments, plus reasonable costs, including attorney's fees, incurred in the action, and may use assessment funds to cover all reasonable costs and expenses incurred in connection with recovery of an unpaid assessment. Requires the Foundation to use funds to promote the common good and welfare, and advancement of the propane industry in this state. Prohibits funds collected from being used in any manner for influencing state or federal legislation or for lobbying. Limits to no more than 10 percent of the funds collected being used for the Foundation's administrative expenses. Prohibits the Foundation or the Tennessee Propane Gas Association from taking any action nor shall any provision be interpreted as establishing an agreement to pass along to consumers the cost of any assessment.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This legislation will require private petroleum gas distributors to collect an assessment fee on per gallon sales of liquefied petroleum gas from private petroleum gas dealers.
- All assessment fee revenue will be remitted to a nonprofit entity.
- Assessment fee expenses are prohibited from being passed down to consumers.
- Pursuant to Tenn. Code Ann. § 67-6-329(a)(5), liquefied gas is exempt from state sales and use tax.
- This legislation is estimated to have no significant impact on state government.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb